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June 26, 2014

The Honorable Barack H. Obama  
The President  
The White House  
Washington DC 20500

Dear Mr. President:

I write to respectfully request that you sanction and encourage the repurposing of a portion of funds from Michigan's Hardest Hit Fund allocation to assist low-income residents of Michigan who are at risk or victims of water service disconnection. This influx of funds on behalf of low-income water customers could be directed towards repairs that can reduce untold waste in the system resulting from antiquated and faulty infrastructure.

In March, the Detroit Water and Sewerage Department (DWSD) announced that it would begin terminating water service for up to 3,000 customers per week if their water bills were not paid. Last week, the Detroit City Council approved an 8.7 percent increase in the water rate, contributing to a total increase of 119 percent over the past decade. Because of these unprecedented rate increases, as well as persistently-high rates of unemployment and poverty, approximately 90,000 area households are currently in arrears and at risk of water service termination.

Pursuant to their new plan, DWSD reports that 7,556 households and local businesses had their water service disconnected in April and May alone. According to the Michigan Welfare Rights Organization, two-thirds of the terminations are taking place in homes with children. In addition to an emerging public health

crisis—arising from families' inability to practice basic hygiene without access to running water—a growing number of persons, both public and private, have expressed grave concerns that children will be forcibly separated from their families because, absent access to water, their housing will not be considered adequate.

There are several proximate causes of the water system's current problems. Detroit's water system, the third largest in the nation, has been particularly stressed by the loss of population resulting from the foreclosure crisis and decades of deindustrialization. The vast network of water pipes connects to hundreds of abandoned and blighted structures across Detroit's 139 square mile area. These structures are vulnerable to scrappers who remove the pipes and leave the water running. DWSD has no way of tracking the leaks, and repeated DWSD employee layoffs have left the DWSD with too few workers to investigate or repair these structures. An influx of funding from the remaining portion of Michigan's Hardest Hit Fund—with a requirement that the funds go to repairing infrastructure and reducing waste would be essential to addressing the rate increases that underlie the water shutoff crisis.

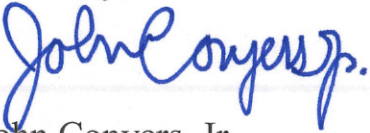
Using a portion of Michigan's Hardest Hit Fund allocation for this purpose is in line with what is stipulated in the authorizing legislation, the Emergency Economic Stabilization Act (EESA) of 2008 (P.L. 111-343). Section 2 of EESA provides that its purposes are to use the Troubled Asset Relief Program (TARP) funds in a manner that, among other things, "protects home values" and "preserves homeownership and promotes jobs and economic growth." Assisting low-income residents facing water shutoffs with paying their water bills would help avert a public health crisis that would be harm home values in many Detroit communities. The injection of funds into the water system would lead to infrastructure repairs that will both promote jobs and economic growth, while the resulting improvements will help strengthen property values.

As of May 31, 2014, Michigan has drawn down \$204.4 million, or just 41 percent of its total Hardest Hit Fund allocation of \$498,605,738. As the unused funds are

already set aside for Michigan, designating a portion of these funds for this purpose would incur no additional cost to the federal government.

I thank you for your attention to this crisis and also for all you do to protect strengthen and uphold public health and safety standards across the nation.

Sincerely,

A handwritten signature in blue ink that reads "John Conyers, Jr." in a cursive style.

John Conyers, Jr.

Member of Congress

Enclosures (2)